

## 2005 MICHIGAN SBT Statutory Exemption Schedule

Issued under authority of P.A. 228 of 1975. See instruction booklet for filing guidelines.

**Form Code 4**

1. Name	2. Federal Employer Identification Number (FEIN) or TR Number
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**NOTE:** If claiming a statutory exemption, complete and attach this schedule to Form C-8000, *Single Business Tax Annual Return*.

3. Business income from C-8000, line 11. Non-corporate taxpayers, if averaging business income, enter the amount from C-8000G, line 9 ..... 3. \_\_\_\_\_ .00
4. Loss carryback or carryover from C-8000, lines 21 and 22. This cannot be a negative number ..... 4. \_\_\_\_\_ .00
5. Compensation and director fees of ALL shareholders from C-8000KC, line 5 ..... ▶ 5. \_\_\_\_\_ .00
6. Add lines 3, 4 and 5 ..... 6. \_\_\_\_\_ .00
7. Statutory Exemption.  
Enter \$45,000 or the amount from C-8009, line 4 ..... ▶ 7. \_\_\_\_\_ .00

### PARTNERS OR SHAREHOLDERS (\$ OR PROFESSIONAL CORPORATION) EXEMPTION

8. Number qualified from C-8000KP, line 5, or C-8000KC, line 4. 8a. \_\_\_\_\_ LESS 1 = ▶ 8b. \_\_\_\_\_
9. Multiply line 8b by \$12,000. The maximum is \$48,000 ..... 9. \_\_\_\_\_ .00
10. Increased statutory exemption. Add lines 7 and 9 ..... 10. \_\_\_\_\_ .00

### SHORT-PERIOD/PART-YEAR EXEMPTION

11. Number of months covered by this return.  
11a. \_\_\_\_\_ divided by 12 = 11b. \_\_\_\_\_ %.
12. Multiply line 7 or 10 by the percentage on line 11b ..... 12. \_\_\_\_\_ .00

### ALLOWABLE EXEMPTION

13. Enter the amount from line 7, 10 or 12, whichever applies ..... 13. \_\_\_\_\_ .00
14. Subtract line 13 from line 6. If this is a negative amount, enter zero ..... 14. \_\_\_\_\_ .00
15. Multiply line 14 by 2. This amount cannot be less than zero ..... 15. \_\_\_\_\_ .00
16. **Allowable Statutory Exemption.** Subtract line 15 from line 13.  
Enter this amount on Form C-8000, line 39 and **attach** this schedule to SBT return ..... ▶ 16. \_\_\_\_\_ .00

**If line 16 is negative, enter zero; a statutory exemption is not allowed.**

# Instructions for Form C-8043, Statutory Exemption Schedule

**Purpose:** To compute the allowable statutory exemption.

- ① **Note:** For most filers, the statutory exemption is available only if business income is less than \$67,500. For most corporations, the statutory exemption is available only if the sum of business income, federal loss carryover and carrybacks and compensation/director fees of all shareholders is less than \$67,500.

For purposes of computing the statutory exemption and the small business credit, a member of an LLC is treated as a partner if the LLC is taxed as a partnership. For purposes of computing the statutory exemption only, a member of an LLC is treated as a shareholder if the LLC is taxed as a corporation.

The statutory exemption cannot be used to increase a business loss to the next year or to offset adjusted tax base, as determined on line 36 of Form C-8000, *Single Business Tax Annual Return*, before reporting the use of the loss carryovers on Form C-8000, line 37. An unused statutory exemption cannot be carried forward.

The statutory exemption will be reduced by \$2 for each \$1 that line 6 exceeds the amount of the exemption on line 13.

## Line-By-Line Instructions

*Lines not listed are explained on the form.*

**Line 2, Account Number.** Enter the same account number used on page 1 of the annual return.

**Line 3, Business Income.** Enter business income from Form C-8000, line 11.

- ✓ **Individuals, Fiduciaries, Partnerships and Limited Liability Companies** may average their income before computing their statutory exemption. If filers choose to average their business income, they must complete Form C-8000G, *SBT Statutory Exemption/Business Income Averaging*. Enter the amount from Form C-8000G, line 9, here. Check the box on Form C-8000, line 40a, to indicate that income has been averaged.

- ① **Note:** Business income averaging is used only to figure the statutory exemption. Do not use it as the current year business income on any form.

**Line 5.** Enter the amount from Form C-8000KC, *SBT Schedule of Shareholders and Officers*, line 5. Corporations claiming a statutory exemption or a small business credit must complete Form C-8000KC, to determine compensation and director fees of all shareholders. S Corporations and professional corporations must use Form C-8000KC to determine qualified shareholders for the additional exemption.

**Line 7, Statutory Exemption.** Enter \$45,000 unless the filer is a member of a controlled group. If a filer is a member of a controlled group and is claiming an allocated statutory exemption, attach Form C-8009, *SBT Allocation of Statutory Exemption, Standard Small Business Credit and Alternate Tax for Members of Controlled Groups*, to the SBT return. A controlled group is entitled to only one statutory exemption, which is allocated on Form C-8009. Controlled groups must enter the amount from Form C-8009, line 4.

**Lines 8 through 10.** Complete these lines to increase the statutory exemption for the number of qualified partners or shareholders. Enter the amount from Form C-8000KP, *SBT Schedule of Partners*, line 5, or the amount from Form C-8000KC, line 4.

- ① **Note:** The increased statutory exemption is only available to S Corporations and professional corporations. It is not available to other types of corporations.

**Lines 11 and 12.** Complete these lines if business activity existed for a period of less than 12 months.

**Line 16, Allowable Statutory Exemption.** Enter here and on Form C-8000, *Single Business Tax Annual Return*, line 39. If line 16 is negative, enter zero.

**Attach this schedule to the return.**